



House of Representatives

General Assembly

File No. 222

February Session, 2002

House Bill No. 5346

House of Representatives, March 28, 2002

The Committee on Environment reported through REP. STRATTON of the 17th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING HYDROGEN PRODUCTION FACILITIES AND HYDROGEN CONVERSION TECHNOLOGY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-245n of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2002*):

3 (a) For purposes of this section, "renewable energy" means solar
4 energy, wind, ocean thermal energy, wave or tidal energy, fuel cells,
5 landfill gas, hydrogen production and hydrogen conversion
6 technologies, and low emission advanced biomass conversion
7 technologies and other energy resources and emerging technologies
8 which have significant potential for commercialization and which do
9 not involve the combustion of coal, petroleum or petroleum products,
10 municipal solid waste or nuclear fission.

11 (b) On and after January 1, 2000, the Department of Public Utility
12 Control shall assess or cause to be assessed a charge of not less than

13 one-half of one mill per kilowatt hour charged to each end use
14 customer of electric services in this state which shall be deposited into
15 the Renewable Energy Investment Fund established under subsection
16 (b) of this section. On and after July 1, 2002, such charge shall be three-
17 quarters of one mill and on and after July 1, 2004, such charge shall be
18 one mill.

19 (c) There is hereby created a Renewable Energy Investment Fund
20 which shall be administered by Connecticut Innovations, Incorporated.
21 The fund may receive any amount required by law to be deposited
22 into the fund and may receive any federal funds as may become
23 available to the state for renewable energy investments. Connecticut
24 Innovations, Incorporated, may use any amount in said fund for
25 expenditures which promote investment in renewable energy sources
26 in accordance with a comprehensive plan developed by it to foster the
27 growth, development and commercialization of renewable energy
28 sources, related enterprises and stimulate demand for renewable
29 energy and deployment of renewable energy sources which serve end
30 use customers in this state. Such expenditures may include, but not be
31 limited to, grants, direct or equity investments, contracts or other
32 actions which support research, development, manufacture,
33 commercialization, deployment and installation of renewable energy
34 technologies, and actions which expand the expertise of individuals,
35 businesses and lending institutions with regard to renewable energy
36 technologies.

37 (d) The chairperson of the board of directors of Connecticut
38 Innovations, Incorporated, shall convene a Renewable Energy
39 Investments Advisory Committee to assist Connecticut Innovations,
40 Incorporated, in matters related to the Renewable Energy Investment
41 Fund, including, but not limited to, development of a comprehensive
42 plan and expenditure of funds. The advisory committee shall include
43 not more than twelve individuals with knowledge and experience in
44 matters related to the purpose and activities of said fund. The advisory
45 committee shall consist of the following members: (1) One person with
46 expertise regarding renewable energy resources appointed by the

47 speaker of the House of Representatives; (2) one person representing a
 48 state or regional organization primarily concerned with environmental
 49 protection appointed by the president pro tempore of the Senate; (3)
 50 one person with experience in business or commercial investments
 51 appointed by the majority leader of the House of Representatives; (4)
 52 one person representing a state or regional organization primarily
 53 concerned with environmental protection appointed by the majority
 54 leader of the Senate; (5) one person with experience in business or
 55 commercial investments appointed by the minority leader of the
 56 House of Representatives; (6) one person with experience in business
 57 or commercial investments appointed by the minority leader of the
 58 Senate; (7) two state officials with experience in matters relating to
 59 energy policy and one person with expertise regarding renewable
 60 energy resources appointed by the Governor; and (8) three persons
 61 with experience in business or commercial investments appointed by
 62 the board of directors of Connecticut Innovations, Incorporated. The
 63 advisory committee shall issue annually a report to such chairperson
 64 reviewing the activities of the fund in detail and shall provide a copy
 65 of such report to the joint standing committee of the General Assembly
 66 having cognizance of matters relating to energy.

This act shall take effect as follows:	
Section 1	July 1, 2002

ET *Joint Favorable C/R*

ENV

ENV *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note**State Impact:**

Fund-Type	Agency Affected	FY 03 \$	FY 04 \$
Renewable Energy Investment Fund	Connecticut Innovations, Inc., (quasi-public)	See Below	See Below

Municipal Impact: None

Explanation

The bill adds hydrogen production and conversion technologies to the list of energy resources that can be a recipient of funding from the Renewable Energy Investment Fund administered by the Connecticut Innovations, Inc (CII). Expanding the use of the Fund could divert funds from one project to another. The overall impact is anticipated to be minimal. As of March, 20002, the Fund balance, including current commitments is \$4 million. Actual Fund revenue derived from the charge on electric bills was approximately \$15 million in FY 01. Revenues are expected to grow to \$22 million in FY 03.

OLR Bill Analysis

HB 5346

**AN ACT CONCERNING HYDROGEN PRODUCTION FACILITIES
AND HYDROGEN CONVERSION TECHNOLOGY****SUMMARY:**

By law, Connecticut Innovations, Inc. (CII) administers the Renewable Energy Investment Fund to promote several renewable energy resources. This bill adds hydrogen production and conversion technologies to these resources. (Among other things, hydrogen can be used to power fuel cells to produce electricity.) By law, CII, a quasi-public agency, can use the fund to promote investment in renewable energy resources, stimulate demand for them, and encourage their deployment. Money in the fund comes from a charge on electric bills.

EFFECTIVE DATE: July 1, 2002

BACKGROUND***Related Bills***

sSB 342, "An Act Concerning the Financing of Renewable Energy Projects," reported favorably by the Energy and Technology Committee, allows CII to make advance commitments backed by the renewable energy charge and allows the Connecticut Development Authority to issue bonds based on such commitments, with the proceeds going into the fund.

sHB 5712, "An Act Concerning Renewable Energy and Energy Conservation," reported favorably by the Environment Committee, increases the renewable energy charge from 0.1 to 0.125 cents per kilowatt-hour as of July 1, 2004.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Change of Reference

Yea 14 Nay 0

Environment Committee

Joint Favorable Report

Yea 28 Nay 0